

Introduced by Senator Beall

December 3, 2012

An act to add Section 1374.18 to the Health and Safety Code, and to add Section 10144.53 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 22, as amended, Beall. Health care coverage: mental health parity.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plan contracts or health insurance policies issued, amended, or renewed on or after July 1, 2000, to provide coverage for the diagnosis and medically necessary treatment of severe mental illnesses, as defined, and of serious emotional disturbances of a child, as specified, under the same terms and conditions applied to other medical conditions.

~~This bill would state the intent of the Legislature to enact legislation that would ensure compliance with and implementation of state and federal mental health parity laws.~~

Existing federal law, the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) requires group health plans and health insurance issuers to ensure that financial requirements and treatment limitations applicable to mental health or substance use disorder benefits are no more restrictive than the predominant requirements or limitations applied to substantially

all medical and surgical benefits. Existing state law requires individual and small group health care service plan contracts and health insurance policies issued, amended, or renewed on or after January 1, 2014, to comply with MHPAEA.

This bill would, on or after July 1, 2014, require every health care service plan, contractor of a health service plan, and health insurer to submit an annual report to the Department of Managed Health Care or the Department of Insurance, as appropriate, certifying compliance with specified state laws and the MHPAEA, except as provided. The bill would require the reports to be a public record made available upon request and to be published on the respective department's Internet Web site. The bill would require a plan, contractor, and health insurer to provide an analysis of the entity's compliance with the law using certain mental health parity standards and to conduct surveys of enrollees, insureds, and providers as part of the report, as specified.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 1374.18 is added to the Health and Safety*
- 2 *Code, to read:*
- 3 *1374.18. (a) On and after July 1, 2014, every health care*
- 4 *service plan and contractor of a health care service plan shall*
- 5 *submit an annual report to the department certifying compliance*
- 6 *with Section 1274.72 and the federal Paul Wellstone and Pete*
- 7 *Domenici Mental Health Parity and Addiction Equity Act of 2008*
- 8 *(Public Law 110-343), hereafter referred to as the MHPAEA, its*
- 9 *implementing regulations, and all related federal guidance. The*
- 10 *annual report shall be a public record made available upon request*
- 11 *and shall be published on the department's Internet Web site. The*
- 12 *department may hold public hearings on the reports at its own*
- 13 *discretion or at the request of any person.*
- 14 *(b) The report shall provide an analysis of the plan's or*
- 15 *contractor's compliance with Section 1274.72 and the MHPAEA*
- 16 *using all of the elements set forth in those provisions of law, as*
- 17 *well as in standards P-MHP 1, P-MHP 2, and P-MHP 3 of the*
- 18 *American Accreditation HealthCare Commission (URAC) Health*
- 19 *Plan Accreditation Guide, Version 7, or any subsequent versions.*

1 (c) (1) As part of the report, a plan or contractor shall conduct
2 both of the following:

3 (A) A survey of enrollees to collect responses pertaining to
4 enrollee experiences with mental health and substance use care.

5 (B) A survey of providers to collect responses pertaining to
6 provider experiences with providing mental health and substance
7 use care.

8 (2) The plan or contractor shall use the compliance criteria set
9 forth in the URAC standards described in subdivision (b) to
10 structure the surveys.

11 (d) This section shall not apply to contracts entered into
12 pursuant to Chapter 7 (commencing with Section 14000) or
13 Chapter 8 (commencing with Section 14200) of Division 9 of Part
14 3 of the Welfare and Institutions Code, between the State
15 Department of Health Care Services and a health care service
16 plan for enrolled Medi-Cal beneficiaries.

17 SEC. 2. Section 10144.53 is added to the Insurance Code, to
18 read:

19 10144.53. (a) On and after July 1, 2014, every health insurer
20 shall submit an annual report to the Department of Insurance
21 certifying that its health insurance policies comply with Section
22 10144.5 and the federal Paul Wellstone and Pete Domenici Mental
23 Health Parity and Addiction Equity Act of 2008 (Public Law
24 110-343), hereafter referred to as the MHPAEA, its implementing
25 regulations, and all related federal guidance. The annual report
26 shall be a public record made available upon request and shall
27 be published on the department's Internet Web site. The department
28 may hold public hearings on the reports at its own discretion or
29 at the request of any person.

30 (b) The report shall provide an analysis of the insurer's
31 compliance with Section 10144.5 and the MHPAEA using all of
32 the elements set forth in those provisions of law, as well as in
33 standards P-MHP 1, P-MHP 2, and P-MHP 3 of the American
34 Accreditation HealthCare Commission (URAC) Health Plan
35 Accreditation Guide, Version 7, or any subsequent versions.

36 (c) (1) As part of the report, an insurer shall conduct both of
37 the following:

38 (A) A survey of insureds to collect responses pertaining to
39 insured's experiences with mental health and substance use care.

1 (B) A survey of providers to collect responses pertaining to
2 provider experience with providing mental health and substance
3 use care.

4 (2) The insurer shall use the compliance criteria set forth in the
5 URAC mental health parity standards described in subdivision (b)
6 to structure the surveys.

7 (d) This section shall not apply to policies or health benefit
8 plans issued pursuant to Chapter 7 (commencing with Section
9 14000) or Chapter 8 (commencing with Section 14200) of Division
10 9 of Part 3 of the Welfare and Institutions Code, between the State
11 Department of Health Care Services and an insurance policy or
12 health benefit plan for enrolled Medi-Cal beneficiaries.

13 ~~SECTION 1. It is the intent of the Legislature to enact~~
14 ~~legislation that would ensure compliance with and implementation~~
15 ~~of federal and state mental health parity laws.~~